

Welfare-to-Work 15-Percent WtW Grant Fiscal On-Site Monitoring Guide

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**WELFARE-TO-WORK (WtW)
FISCAL ON-SITE MONITORING GUIDE**

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FISCAL REVIEW BACKGROUND

SUBGRANTEE: _____

TOTAL ALLOCATION: _____

TERMS OF AGREEMENT: _____ to _____

FISCAL CONTACT: _____

REVIEW DATES: _____

REPORT NUMBER: _____

CRD MONITOR (s): _____

Staff Interviewed _____

FISCAL TOOL #1
EXPENDITURE REPORT

1. Using the most recent completed quarterly WtW expenditure report on the JTA system, complete the following:

Quarter Ending: _____ Total Expenditures: _____
Total Administrative Cost Reported: \$ _____

2. Is the total administrative cost reported on the WtW expenditure report more than 13% of the **total subgrantee allocation**? ☐ **Yes** ☐ **No**
If **Yes**, explain. _____

3. Obtain a copy of the subgrantee's list of **cost codes**, **cost center** and/or **chart of accounts**.

Does the list or chart of accounts contain any categories that appear inappropriate?
☐ **Yes** ☐ **No** If **yes**, ensure that you include these categories in your sampling for Fiscal Tool numbers 7A, 7B, or 7C.

4. Obtain copies of the accounting records(s) used by the subgrantee to develop the WtW expenditure report found on the JTA system for the quarter identified above.

5. Using the subgrantee's accounting records, request that fiscal staff explain the steps used to arrive at the expenditures reported to the State on the JTA system.

6. Do the total expenditures reported to the State match the total expenditures on the subgrantee's accounting records?

☐ **Yes** ☐ **No**

If **No**, explain the reason(s) for the differences.

References: 29 CFR Part 97, Section 97.20 Standards for Financial Management Systems
29 CFR Part 95, Section 95.21 Standards for Financial Management Systems
OMB Circular A-87, Attachment A (C-Basic Guidelines)
MB Circular A-122, Attachment A – General Principles
20 CFR Part 645 WtW Grants Final Rule, Section 645.230
WtW Financial Management TAG Chapter 8

Staff Interviewed _____

FISCAL TOOL #2

CASH MANAGEMENT AND INTERNAL CONTROLS

CASH MANAGEMENT

1. What is the subgrantee's cash management methodology?

2. Obtain and review the subgrantee's most current internal reconciliation record and Bank Record.

Does the subgrantee's internal reconciliation record reconcile with the Bank Record?

☐ Yes ☐ No

If **No**, why not? _____

3. Obtain a copy of the subgrantee's internal cash request (drawdown) summary record. Select a sample of 2 recent cash requests from the cash request summary record. Ask the subgrantee fiscal staff for the source documents used to determine the amount requested.

• Determine if the basis for the 2 cash requests are sufficiently substantiated or documented?

☐ Yes ☐ No If **No**, explain. _____

• Does the subgrantee have any excess cash on hand? ☐ Yes ☐ No

If **Yes**, what is the subgrantee's explanation? _____

• Based on the subgrantee's explanation, is excess cash an issue? ☐ Yes ☐ No

If **Yes**, explain. _____

INTERNAL CONTROLS

1. Identify the subgrantee staff responsible for the following:

- Preparing withdrawals or deposits _____
- Reconciling the bank account _____
- Handling petty cash _____
- Approving cash vouchers _____

2. Is the staff responsible for preparing withdrawals or deposits the same person who reconciles the bank account? ☐ Yes ☐ No

3. Is the staff responsible for handling petty cash the same person who approves cash vouchers? ☐ Yes ☐ No

References: 29 CFR Part 95, Sections 95.21(a)(3) and 95.22(b)(2)
29CFR Part 97, Sections 97.20(b)(2),(3) and 97.21(b)
WtW Financial Management TAG, Chapter 3 & Chapter 10
WtW Directive WD99-11 Cash Management for 15%

Staff Interviewed _____

FISCAL TOOL #3

BENCHMARK ACHIEVEMENT

Planned Achievement Quarter Ending Date: _____

1. Has there been a change letter or modification to the WtW Benchmark submitted by the subgrantee?

☐ Yes ☐ No

If Yes, note the date of the change letter and/or MOD number here. _____

2. Obtain and review copy of the most recent WtW Benchmarks and Subgrant Availability Report submitted by the subgrantee and complete the table below.

Benchmarks	Amount of Subgrant Available	Date Benchmark Began	Date Benchmark Achieved	Method of Verifying Benchmark

3. Does the total cash requested for each quarter exceed the amount of subgrant available per benchmark identified?

☐ Yes ☐ No

4. Does the subgrantee request cash based on immediate cash need and not based on the amount of subgrant available? ☐ Yes ☐ No

Comments: _____

Reference: WtW Directives WD99-3 Benchmark and Subgrants Availability for 15% and WD99-11 Cash Management for 15%

Staff Interviewed _____

FISCAL TOOL #4

PROGRAM INCOME AND INTEREST INCOME

(Verify from the accounting records if the subgrantee has program income or interest income generated from its WtW program funds. If none, skip Fiscal Tool #4)

PROGRAM INCOME

1. Does the subgrantee have program income? ☐ **Yes** ☐ **No**
2. What type(s) of program income does the subgrantee generate?
Fee for Services ☐ User or Rental Fees ☐
Sale of Property ☐ Other ☐ _____
3. Explain how the subgrantee generated its program income. _____

4. How does the subgrantee track program income? _____

5. Has program income been reported to the State on the quarterly expenditure report?
☐ **Yes** ☐ **No**
If **No**, explain. _____
6. Has program income been deposited to the WtW funds account to benefit the WtW funded programs? ☐ **Yes** ☐ **No**
If **No**, explain. _____

INTEREST INCOME

1. Does the subgrantee maintain federal funds in interest bearing accounts?
☐ **Yes** ☐ **No**
If **No**, explain. _____
2. Does the subgrantee earn interest income from WtW funds? ☐ **Yes** ☐ **No**
If **Yes**, how much \$ _____
(Maximum of \$100 per year is allowed for governmental entity)
(Maximum of \$250 per year is allowed for non-profit entity)
3. If the interest income is more than the maximum allowed, has the difference been remitted to DOL? ☐ **Yes** ☐ **No**
If **No**, explain. _____

Reference: 29 CFR Section 95.24 Program Income, Section 95.22(g) Payment, Section 95.34(d)
29 CFR Sections 97.21(f & i) 97.25 Program Income; 20 CFR Part 645, Section 645.230(a)(5)
WtW Financial Management TAG, Chapter 10
WtW Directive WD01-8 Program Income

Staff Interviewed _____

FISCAL TOOL #5

COST ALLOCATION

1. Does the subgrantee use cost pools to temporarily hold allocable costs?

☐ **Yes** ☐ **No**

2. Obtain a copy of the subgrantee's cost allocation plan (CAP) used for WtW funds. If the subgrantee does not have a written cost allocation plan, how does the subgrantee allocate shared costs? Explain. _____

- Identify below the subgrantee's basis for allocation of costs such as:

Administration _____

Contract/Vendor Payments _____

Staff Wages _____

General Operating Expenses _____

- Does each basis for allocation of pooled costs appear to be reasonable as to the benefits received? ☐ **Yes** ☐ **No**

If **No**, explain. _____

Reference: OMB Circular A-87 Attachment C, Cost Allocation Plans
 OMB Circular A-122 Attachment A, General Principles
 WtW Financial Management TAG, Chapter 6

Staff Interviewed _____

FISCAL TOOL #6

INDIRECT COST RATE

(If the subgrantee does not use an indirect cost rate, skip Fiscal Tool #6.)

1. Obtain a copy of the subgrantee's Indirect Cost Rate Plan.
Was the Indirect Cost Rate Plan approved by the subgrantee's cognizant agency?
☐ **Yes** ☐ **No**

If **Yes**, who is the cognizant agency? _____

If **No**, explain. _____

2. Using the subgrantee's internal records, request that the subgrantee staff explain how the indirect cost rate is applied to the WtW fund and explain below.

3. Select a **minimum of 2 items** charged to the indirect cost rate and complete the table below:

	ITEM #1	ITEM #2
Identify 2 items charged to the Indirect Cost Rate.		
Also charged to the administrative cost pool? (duplicate charge)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes, explain.	If Yes, explain.
Consistent with types of costs specified in the Indirect Cost Rate Plan?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, explain.	If No, explain.

Reference: OMB Circular A-87, Attachment E
OMB Circular A-122, Attachment A, Section C-Indirect costs and Section D-Allocation of Indirect Costs and Determination of Indirect Cost Rates.
WtW Financial Management TAG, Chapter 6

Staff Interviewed _____

**FISCAL TOOL #7A
PAYROLL PAYMENTS**

1. Obtain a copy of the subgrantee's most current organization chart.
2. Select at least 5 subgrantee employees who may charge their time to the WtW program. (If possible, include some employees who may also charge their salary to other funding sources, i.e., Director, Controller, clerical)
3. Obtain a copy of the duty statements for the 5 employees you selected.
4. Obtain a copy of time sheets for the 5 employees identified for one month during the last reported quarter.
5. Obtain a copy of the subgrantee's accounting records showing actual charges to each program and cost categories.
6. Using the documents obtained above, complete the matrix below.

Pay Period (Month) Reviewed: _____

	Employee Name	Position or Job Title	Total Hours Charged	Cost Pool or Shared Allocation?	Charging to Non-WtW Program?	Charging to WtW Admin. Category?	Charging to WtW Program Category?	Allocation of Hours Reasonable?
1								
2								
3								
4								
5								

Issues: _____

Staff Interviewed _____

FISCAL TOOL #7B CONTRACT PAYMENTS

1. Obtain a copy of the Subgrantee's accounting records that identify specific costs charged to the WtW fund.
2. Select at least 5 contract payments charged to the WtW fund.
3. Select payments made in the same program year in review.
4. Obtain a copy of the source documents for the 5 payments identified above and complete the matrix below.

	Invoice # & Invoice Date	Payment Date & Amount	Description of Expenditure	Properly Documented?	Properly Authorized?	Necessary & Reasonable?	WtW Allowable?
1		\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non WtW)				Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
2		\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non WtW)				Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
3		\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non WtW)				Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
4		\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non WtW)				Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
5		\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non WtW)				Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Issues: _____

Staff Interviewed _____

FISCAL TOOL #7C OPERATING EXPENSE PAYMENTS

1. Obtain a copy of the subgrantee's accounting records that identify specific costs charged to the WtW Fund.
2. Select at least 5 general operating expense payments charged to the WtW fund, i.e., rent, utility, equipment and office supply.
3. Select payments made in the same program year in review.
4. Obtain a copy of source documents for the 5 payments identified above and complete the matrix below.

Invoice # & Invoice Date	Payment Date & Amount	Description of Expenditure	Properly Documented?	Properly Authorized?	Necessary & Reasonable?	WtW Allowable?
1	\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non-WtW)			Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
2	\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non-WtW)			Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
3	\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non-WtW)			Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
4	\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non-WtW)			Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			
5	\$					
Charged to: <input type="checkbox"/> WtW Program <input type="checkbox"/> WtW Administration <input type="checkbox"/> Other (Non-WtW)			Properly allocated according to benefits received? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Issues: _____

Staff Interviewed _____

FISCAL TOOL #8

FISCAL OVERSIGHT

(Skip Fiscal Tool #8 only if the subgrantee does not have a subrecipient.)

1. Obtain a copy of the following documents:

☐ Monitoring Schedule (Plan) ☐ Subgrantee's subrecipient list (if applicable)
☐ Monitoring Tools (Guide)

2. Does the subgrantee's monitoring schedule include a fiscal monitoring of all of its subrecipients? ☐ **Yes** ☐ **No**

If **No**, explain. _____

3. Did the subgrantee conduct the fiscal reviews as planned?

☐ **Yes** ☐ **No** If **No**, explain. _____

4. Select a sample of **2 completed** Fiscal Monitoring Reports for the program year being reviewed. For each report selected, complete the table below.

	Report #1	Report #2
Entity Monitored		
Date of Review		
Written Report Issued to Entity Reviewed?		
Compliance Issues Identified?		
Corrective Action Requested?		
Corrective Action Performed by subrecipient?		
Follow-up conducted by subgrantee?		
Written Final Report Issued To Entity?		

Issues Identified. _____

5. Does the subgrantee's fiscal oversight system appear sufficient?

☐ **Yes** ☐ **No** If **No**, explain. _____

References: 29 CFR Section 97.40 Monitoring and 29 CFR Section 95.51 Monitoring and Reporting
 20 CFR Part 645, Section 645.245

Staff Interviewed _____

FISCAL TOOL #9

SINGLE AUDIT OR PROGRAM SPECIFIC AUDIT

(Skip Fiscal Tool #9 only if the subgrantee does not have a subrecipient.)

1. Does the subgrantee have a written audit resolution policies and procedures?
☐ **Yes** ☐ **No**
If **No**, explain. _____
2. Obtain and review a copy of the subgrantee's audit resolution policies and procedures. Does the subgrantee's audit resolution policies and procedures consists of the following **three part process**?
☐ Initial Determination
☐ Informal Resolution Period
☐ Final Determination
3. Does the subgrantee ensure that the audit resolution process is completed within six months after receipt of the subrecipient audit report? ☐ **Yes** ☐ **No**
If **No**, explain. _____
4. Does the subgrantee have an audit resolution control log?
☐ **Yes** ☐ **No**
If **No**, explain how the subgrantee tracks its subrecipient audit findings.

5. Obtain and review a copy of the subgrantee's audit resolution control log. Does the subgrantee's audit resolution control log contain the following:
☐ Date of the audit ☐ Period covered by the audit
☐ Date audit was received ☐ The auditor
☐ The questioned costs ☐ The administrative findings
☐ The date or dates of the Initial and Final Determinations
☐ Documentation of decisions regarding the disallowed costs and administrative findings.
6. Obtain a copy of the letter of Initial Determination. Does the letter of Initial Determination contain the following:
☐ A list of questioned costs.
☐ Whether the costs are allowed or disallowed, including the reasons with appropriate citations for such actions.
☐ Acceptance or rejection of any corrective action taken to date, including corrective action on administrative findings.
☐ Possible sanctions
☐ The opportunity for informal resolution of no more than 60 days from the date of Initial Determination.

Issues: _____

Staff Interviewed _____

7. Obtain a copy of the letter of Final Determination. Does the letter of Final Determination contain the following:

- ☐ Reference to the Initial Determination
- ☐ Summation of the informal resolution meeting, if held.
- ☐ Decisions regarding the disallowed costs, listing each disallowed cost and noting the reasons for each disallowance.
- ☐ Questioned costs that have been allowed by the awarding agency and the basis for the allowance.
- ☐ Demand for repayment of the disallowed costs.
- ☐ Description of the debt collection process and other sanctions that may be imposed if payment is not received.
- ☐ Rights to a hearing.
- ☐ The status of each administrative finding.

8. Did the subgrantee establish an audit resolution file to document the disposition of reported questioned costs and corrective actions taken for all findings?

☐ **Yes** ☐ **No**

If **No**, explain. _____

9. Does the subgrantee's audit resolution file contain the following:

- ☐ Initial Determination and proof of receipt by the subrecipient.
- ☐ Sign-in sheet documenting the attendants of the informal resolution meeting.
- ☐ Notes related to the informal resolution.
- ☐ Final Determination and proof of receipt by the subrecipient.
- ☐ Response to the final audit report.
- ☐ Final audit report.

10. Did the subgrantee establish a local-level hearing procedures?

☐ **Yes** ☐ **No**

If **No**, explain. _____

11. Does the subgrantee's local-level hearing procedures ensure the following:

- ☐ The hearing is recorded mechanically or by court reporter.
- ☐ The auditee is given 30 calendar days after the Final Determination is issued to submit a written request for a hearing.
- ☐ The auditee is provided a written notice of the date and site of the hearing at least 10 calendar days.
- ☐ The auditee is informed of the right to withdraw a hearing request as long as it is in writing.
- ☐ The hearing officer is required to issue a decision within 60 days of the request filing date.
- ☐ The auditee is informed of the right to file an appeal 10 days from receipt of the local hearing officer's adverse decision to the State Review Panel
- ☐ The auditee is informed that if a local hearing is not held or the decision is not rendered timely, the auditee has 15 days from the date on which the hearing should have been held to file an appeal with the State Review Panel.

Staff Interviewed _____

Select **2 completed** Single Audit or Program Specific Audit reports with findings.
Obtain all related documents and complete the table below.

	Audit Report #1	Audit Report #2
Subrecipient Audited		
Date of Audit		
Period Covered by Audit		
Date Audit was received		
Date of Initial Determination		
Initial Determination appears appropriate? (Y/N)		
Informal Resolution? (Y/N) When?		
Date of Final Determination		
Corrective Action Requested? (Y/N)		
Due Date Requested on Corrective Action? (Y/N)		
Corrective Action Performed? (Y/N)		
Follow-Up Conducted? (Y/N) When?		

Issues Identified. _____

References: 29 CFR Part 95, Section 95.26 Non-Federal Audits
OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
WtW Financial Management TAG, Chapter 17
WtW Directive WD01-4 Audit Resolution